Ezra Vogel:
It's my great pleasure to welcome you to the first ever of a Zoom meeting that I have chaired. And for the first meeting opening up the new series on video, on Zoom, for the Fairbank Center on our Critical Issues Confronting China.

Ezra Vogel:
The Director of the Fairbank Center has asked me to say that he's all concerned about our health and trying to manage issues and that his staff has been working very hard to try to make arrangements now for a series of programs. So, a lot of technical issues to be worked out, and I want to thank especially Mark Grady and Nick Drake who have worked so hard in trying to get the arrangement set up for this first meeting which we hope will go smoothly.

Ezra Vogel:
We'll Bill Overholt talk for 45 minutes. Also, we already have several sessions that will follow this. Next week on April 22nd, we'll have Jim Mulvenon, who is one of the great Intelligence specialists in this country, looking at China questions from the intelligence point of view. Then the following week on the 29th, we have Carla Freeman who is talking about the Global Commons and what China is doing in space, in the ocean, and other areas that relate to the Global Commons. Then on May 6th, we'll have Alex Lukin. Alex Lukin spent a year at the Harvard Kennedy School. His father was head of the Duma Committee on Foreign Relations and was Ambassador to the United States, and Alex has been a China specialist and is one of the leading specialists in the Soviet Union and will convey to us some views from the Soviet Union.

Ezra Vogel:
Today it's our great privilege to have Bill Overholt to agree to step in when we didn't have anybody to fill this slot today. We decided we wanted to get started, and we asked Bill to kindly do that. And as you know, Bill, he graduated Harvard a few years ago, had served for decades in Hong Kong as a kind of banker-researcher. He got a PhD in Political Science at Yale, and he in effect had a, as a banker, head of a committee in the banks, he had a 10-15 research assistants, which we in the academic world do not have.

Ezra Vogel:
So, he was able to carry on research on the economics and of the politics of East Asia and in quite an extraordinary way, and he was quite early in seeing some of the trends in Asia. His book on the rise of China was written, was it in the 80s, Bill?

William Overholt:
It came out in '93.

Ezra Vogel:
'93. It came out in '93. When it was at a time when not many people thought China was going to rise so rapidly, and Bill, who had been following the trends could see that they were and sort of followed that. And he's going to try to lay out for us, in the first of our video series, what it's like dealing with China, and what this new year is likely to be like, and then what China and United States will do putting into that era. So, without further ado, Bill, it's yours. Thank you for doing this.
William Overholt:
Thank you, Ezra. I'm delighted to kick off the new Zoom version of our series. I'll try to be a little less sterile than the environments we're trying to live in. I titled the talk "China and America, a New Game" because I believe we're in a different game from the rising power-established power games of the past. Sometimes when alterations are made in rules or implements of a game, the nature of the game changes. Make a baseball bigger and softer and you have a different game. You have to pitch underhand.

William Overholt:
Our leading scholars and strategists often misread the lessons of the past for the current US-China relationship because they fail to recognize that we're in a new game. Disciplinary silos often favor an overemphasis on political-military issues at the expense of economic ones. The power of pressure groups in Washington lead the same way, toward overemphasis on military, in particular.

William Overholt:
I'm going to start with the problems of understanding playing the right game and end on the same theme while addressing other crucial issues in relationship. I'm going to speak as an American, deeply concerned about the American role in the world. My key messages are military conflict is far from inevitable. We have serious conflicts with China, but we have enormous mutual interests, many of which are unrecognized.

William Overholt:
China is not a demon, and our allies are not angels. We need to live in the world as it is, not the world as we would like it to be, and we don't always do that. To continue as a world leader, America's going to have to play the new game.

William Overholt:
So, let's start with, is war with China inevitable? A common baseline for addressing that these days is Thucydides trap, from the time of ancient Greece through World War II when a rising power conflicted with an established power, about three-quarters of the time, there was a war. In that entire era, the typical way in which these conflicts were managed was first of all, they were between neighbors. And the neighbors grabbed part of each other's territory. Athens and Sparta. Germany and France.

William Overholt:
The post-World War II conflicts are not like that. Two things have happened. First, we've learned to grow economies much faster and more efficiently than in the past, and second, military technology has become so destructive that if countries pursue the methods of the pre-World War II era, typically both will lose.

William Overholt:
As a result, the path to becoming a great power has become primarily economic. This is a fundamental shift in the way the world works. To miss that, as most of our international strategists have, is rather like an economist missing the Industrial Revolution. When I worked as an investment banker at the bottom every recommendation, we had to put up a disclaimer that said, "Past results are not a guarantee of
future results." I think we need a disclaimer for a whole generation of political scientists like Mearsheimer that says exactly the same thing.

William Overholt:
In the Cold War, we of course needed a superior military. We had the Berlin Airlift, the Cuban Missile Crisis. We had to win those battles, but it was our economic strategy that won the Cold War. We delivered decisive aid and institution-building programs to our allies in France. And then using the Bretton Woods Institutions, the World Bank, the IMF, GATT, WTO, we created a global network of development.

Friends and allies who maintained our prosperity and maintained each others' prosperity, a self-sustaining, almost global network. The Soviet Union took the opposite path. They basically pointed everything into the military. The result? They went bankrupt. The end of the Cold War was a bankruptcy, an economic event. So that was our experience in the Cold War. What about other countries?

William Overholt:
Well, Japan become a very big power without much of a military. South Korea was initially inferior economically, militarily, and in political stability to North Korea, but then General Park Chung-hee shifted the emphasis to an all-out bet on economic development. North Korea maintained its traditional emphasis on the military. As a result, today, the South Korean economy is 50 times the size of North Korea.

Indonesia until the 1960s claimed much of Southeast Asia. They were an economic basket case. The resulting social stress meant that Indonesia had more Islamic Jihadis than the entire rest of the world combined. Then Jenderal Suharto shifted it. He gave up most of those claims on the rest of Southeast Asia and focused on economic development. Shortly Indonesia become the acknowledged leader of Asia.

In China, Deng Xiaoping cut back the military from 16% of GDP to 3%. And he settled most of China's land-border disputes in order to focus on economic development. The result was an extraordinary rise to big power status, well before the current military buildup started. China's current military rise is very impressive, but it's stature in the world depends on its economic success and its international economic strategy.

So the path to becoming a big important power has become an economic strategy protected by a strong military or an ally with a strong military. Economic strategies differ from military strategies in that both sides go in. We're joining wars with France. One side loses. When China and the US compete, in principle, both sides can succeed. Moreover, China is 8000 miles away. US-China direct territorial issues are trivial.
Of course, if we behave like a pre-World War II power, we make the Thucydides trap in self-fulfilling prophecy. To some extent, we're falling into that trap, as are China and Japan. Then Graham Ellison's recent book about the Thucydides trap is a brilliant exposition of what will happen. Military conflict is not a law of history, particularly post-World War II history.

William Overholt:
We have a very complex relationship with China. There are some issues that we have to confront very firmly. Like some of China's primitive toward behavior in the South China Sea and its refusal to grant market access to our companies of the kind that we give to their companies. Effective Sino-American collaboration has led to the greatest reduction of poverty in human history. For the first time in 315,000 years of known human history, we have more basic goods in the world--toys, shoes, clothing, food--than we need. There's still a distribution problem. But there's a surfeit.

William Overholt:
There are immense national security benefits from a resulting stabilization. I'll come back to that a little later. Sino-American collaboration has pulled the world into the post-industrial era where most jobs are in the service economy, away from a back-breaking labor of the agricultural and manufacturing economies. Sino-American collaboration provides the world with the only hope of dealing with the great challenges of the next generation: climate change and environmental degradation.

William Overholt:
If China were still mired in poverty like India, the world would have no hope. You'd never know that from our politicians today. Both parties. They prefer to focus exclusively on the conflicts. They particularly like to blame China for our own failure to address our society to the job losses caused by automation. Our society was severely stressed by losing three million manufacturing jobs in a decade. When China had to shed 45 million state enterprise jobs, mostly in manufacturing, they midwived people into the services sector rather than blaming us.

William Overholt:
How about the maritime issues with our allies? These really look like a Thucydides trap problem. They are important, but more complicated than we usually understand. Chinese behavior in the South China Seas, particularly its militarization of rocks there is quite destabilizing. China broke its promise not to militarize the area. China broke its promise to withdraw from Scarborough Shoal. China signed a Law of the Seas agreement, then violated it.

William Overholt:
And it's important to mention that China is impoverishing millions of people in Southeast Asia by building dams that you've heard they're [inaudible 00:17:37] in water. So we have to oppose some of this behavior, perhaps sometimes by force. But there are some other things that we need to take into consideration. China's behavior pretty much reflects the behavior of our friends and allies in an earlier era.

William Overholt:
China had it special because it's late and the size of China. The claims of smaller Japan cover twice as much of the ocean as China. The model for Chinese island building is previous Japanese buildup of a
little rock called Okinotorishima about halfway between Taiwan and Guam. And Japan draws a circle of around 400,000 square miles of, square kilometers of zone around that, much more than China claims around any of its rocks.

William Overholt:
If you apply these vague tribunal standards to the Senkaku/Diaoyu Island Dispute, those islands are not islands. They're rocks. Japan doesn't have the right to draw big circles around them. US policy for decades acknowledged that China's claims to those rocks are equal to Japan's claims. In 2012, Japan's government ignored our strong warnings not to have the government by those islands from a private owner. Japan ignored our warnings.

William Overholt:
We then turned around and backed Japan emphatically which broke our traditional even-handed policy in Asia. That foolish decision succeeded to an erratic right-wing extremist politician, Mr. Ishikawa, the ability to provoke war between the United States and China. Our base in Diego Garcia rests on British control, but British control offends international standards as much as China's behavior in the South China Sea does.

William Overholt:
US use of surveillance, aircraft and NATO missiles to provoke Chinese defenses and read them electronically so that we'll know what they would do in actual conflict evokes the deepest fears in China, to come out of the century of Western British and from the sea. Strategists like late Zbigniew Brzezinski have consistently argued that this is counter-productive behavior by us, but we go ahead and do it.

William Overholt:
So, we have some very legitimate grievances against China. But we live in a glass house, and we need to be careful where we throw the stones. So, step back, how do we manage relations with this rising power? Let's start with some basic perspectives.

William Overholt:
First, China's not going to collapse. Unlike the Soviet Union, our today's Russia, it has a competitive self-sustaining economy. And it's taken better care of its people than most of the countries in the world. In 2015, the number of Chinese families who owned a home was twice the number of Indian families who had access to a toilet. China has a sustainable economic and social system.

William Overholt:
Second, though, China's not destined for fast growth indefinitely. It was coming down anyway as it does to all the Asian mercurial economies. This current administration is worsening that by mismanaging the Chinese economy. The things that our politicians denounce most like the plan for manufacturing 2025 should actually make them quite happy. China's repeating the mistakes that Japan made: turning inward and turning over the economy to a group of inefficient, traditional industries. Moreover, this Chinese administration is giving a control over strategic business decisions in every business to a party committee.

William Overholt:
Can you imagine what would happen to the American economy if we gave final strategic decision making to our politicians and Google and Apple and Intel? So, China's growth is slowing. It's less than the official figures show. And it's destined to slow more. Several decades of huge budget surpluses have given Chinese leaders a bull market mentality. Bull market mentalities always come to tears.

William Overholt:
Third, within a few years, China will change dramatically. Its political strategy in maximizing control is at war with its economic strategy of market efficiency. China's unique political tides are shifting against Xi Jinping. China's decades of rapid growth have led to extremely sharp generational change. Each generational change brings a leadership with very different views and policies. The generational change is now overdue.

William Overholt:
China will experience fundamental change. Might get much better. Might get much worse. It will not remain the same. The US, therefore, needs to position itself for rapid adaptation to a range of possible outcomes. You have to be ready for much nastier, more authoritarian China that tries to subdue Taiwan. We also need to be ready for a more friendly, flexible, reasonable behaving China.

William Overholt:
We can't ensure a good outcome, but if we block ourselves into a Cold War mentality, which is very much the tendency today, we can ensure bad outcome. The key related question: can we live with the China model? Many US commentators, led by Princeton's Aaron Friedberg, argue that we can't live with another big power that has a different system. That lesson was learned from the depredations of Nazi Germany and the Soviet Union.

William Overholt:
But unlike those dictatorships, China is not trying to impose its system on others. Unlike Russia, it has not tried to destabilize democracies. China sees its system as unique. That's wrong because it's emulated the successes of the earlier Asian mercurial economies. But that mentality is a deterrent to the idea of imposing a system everywhere. Beijing's mantra is that every country should have the right to decide its own path and implicitly shouldn't be pushed into like our kind of system.

William Overholt:
While China's not trying to impose its system, its success in improving the lives of its people compared with France and Spain in the Philippines, challenges our insistence that our form of governance is ideal for every country at every level of development. We can't beat that argument by force or by subversion or by incentives. We and the Indians need to find a way to make democracy work better. That's our problem. That's not a Chinese threat.

William Overholt:
But where does this leave us? Well, for the foreseeable future, we can't dominate or defeat China. China can't dominate or defeat us. We have a peer competitor. The thing that the George W. Bush administration said it would never allow to happen. Fortunately, that peer competitor is not seeking war. The alternative to living with it is nuclear war.
William Overholt:
A world in which multiple systems co-exist is normal in history. For several decades, we've been spoiled by where we’re the dominant economic power, dominant military power, and the dominant role model. China's success, together with the 2008 financial crisis and recent political developments in Washington and London could change that.

William Overholt:
If we eschew nuclear war, we have to live in the world as it is, not the world we wish. Come back to my central theme. The world we live in is a world with geo-economics. In the Cold War, we won with a geo-economic strategy. The Bretton Woods system, development bank, World Bank funded infrastructure, and the other institutions created common standards and integrated the world together. Economic success stabilized and energized and unified our global system.

William Overholt:
Again, military superiority was absolutely necessary, but far from sufficient. Having won the Cold War, we allowed the Bretton Woods Institutions to atrophy. A stingy Congress refused to increase the capital of the World Bank and the IMF even though that ultimately cost us nothing. Congress didn't want to reform the governments of those institutions to conform with the modern world rather than the world of the 1940s because that would involve granting more influence to China and other rising powers like India.

William Overholt:
We also gutted the state department budget. We eliminated US information service, and we truncated our aid programs. More recently we have reacted against the constraints of global leadership. Sometimes in dealings with allies, we've paid a price for global leadership. But the price of global leadership was the strongest role in world history. The effort to disproportionately constrain China created a vacuum. For instance, a vacuum of 12 trillion dollars and what was needed for infrastructure development in developing countries.

William Overholt:
More recently, a vacuum on international economic iteration, environmental improvement, and climate change. Into that vacuum, China has moved. The Belt and Road Initiative, abbreviated as BRI, is now the big game. It emulates our Bretton Wood system. It's a development in banks, funding infrastructure in developing countries, and a set of initiatives to create common standards, common standards in railroads, in IT, in customs procedures, and create a more integrated world economy.

William Overholt:
This is familiar. The BRI is a constructive theft of US intellectual property. It's the Bretton Wood system with Chinese characteristics. Moreover, China is now the leader in every form of Green Energy and it's spending more on environmental amelioration than all of Europe or the United States. Meanwhile, we abandoned leadership on these issues and subsidized a declining coal industry.

William Overholt:
BRI is an inspiring vision as it was when it was our vision. In Africa, China convenes four dozen African national leaders and talks about development, and then helps them with roads and railroads and all
kinds of business. We put a special forces team in each country threatened by terrorism and have an off-shore NATO presence. If that's the contest for influence, China wins every time.

William Overholt:
Even on terror. The biggest success we've had in Africa has been George W. Bush's HIV initiative. On terrorism, we would win local battles, but the development process under BRI, whenever it works, wins wars. Americans have three possible responses to BRI. First, we can compete. This is our game. We're good at it. But we withdrew from the field. The Japanese compete successfully. China gets a BRI power deal in Indonesia, offers secondary technology, big debt demands a stake guarantee. Japan comes in, offers first-rate technology, a multi-decade record of reliability and does feasibility studies so that no staker guarantee is required. Japan wins. Indonesia wins. This is how things worked when we were competing with Japan in the 1970s.

William Overholt:
Second, we can compete and co-opt as we did when we faced the same situation with Japan. Japan was competing unfairly in exactly the same ways as China today. We gradually negotiated some common standards. We and the Japanese both want above all countries like Indonesia to one. The same as possible with China. The key new Chinese initiative, the Asia infrastructure investment bank accepts all the basic standards of the World Bank and the IMF. It's run by an executive who is a veteran of both the World Bank and the ADB, and it does many of these projects jointly with the World Bank and the ADB. Now those standards are not followed by a lot of other Chinese banks, but they show the direction that China intended to move.

William Overholt:
Our third option is that we can stand on the sidelines in Hawaii. So far, this third option has been our main choice. But I'll push it further. Not only can we compete and win, we win even when BRI succeeds. When successful Bretton Woods or BRI stabilizes countries, reducing the risk of war and terrorism, as I've mentioned earlier, in the 1960s, Indonesia had more Jihadis than all the rest of the world combined. Development essentially made those movements evaporate. If we then addressed the Indonesian problem primarily with the military, we would still be fighting and losing half a century later.

William Overholt:
Similarly, in the 1970s, when Bangladesh was formed, everybody knew that this was going to be the ultimate failed state. Henry Kissinger was very eloquent about that. It should have become a giant jungle Somalia, spewing terrorists around the world. What happened? When wages started to rise in China, many of the factories moved from China to Bangladesh. Bangladesh became the world's second largest producer of garments and textiles. All these women got jobs and that stabilized the country. Interestingly, the largest owner of those factories was American. So the stabilization of Bangladesh, the elimination of probably the great threat of Islamic terrorism in the last two decades was a joint Sino-American success.

William Overholt:
Recently, Ethiopia was torn apart by six violently contending Leninist parties, and had one of the worst famines of the modern era. But more recently, it's been the world's fastest growing economy. That stabilized the country's politics. Interestingly, it's politics have even become a little more liberal recently.
The largest contributor to Ethiopian success is China. We benefit and China benefits from these extraordinary successes.

William Overholt:
I would argue that as a rule of thumb, each of these successes saved the United States a trillion dollars out of its national security budget. The outcome of BRI is unclear. What BRI is and how it works changes pretty frequently. What's important is that China is playing the right game. We Americans are not. Why is the US failing to play the right game when its Cold War strategy playing that game was so successful?

William Overholt:
Well, a very small part of the problem is that our scholars failed to articulate the new game. The big problem is that in peace time, our national resources are allocated by a Congress that mainly responds to lobbying groups. And our military has possibly the biggest lobbying group in world history. The state department has none. AIG has none. Information service has none. Our problem is not a self-aggrandizing military. In fact, our top military officers are the most conscious that we have left the military bereft of the complementary resources that it needs to succeed.

William Overholt:
General Mattis says, "If you don't fund the state department fully, then I need to buy more ammunition." If we don't re-engage the other instruments, especially the economic instrument, we're not going to [inaudible 00:41:43] ammunition; we're going to waste a lot of lives. I've talked about competition and cooperation in the economic area. Let me talk a little bit more about the national security area.

William Overholt:
We're very conscious of the conflicts in national security. But also, the world's greatest threat of nuclear war is North Korea, and there the Chinese and American goals of de-nuclearization overlap around 90-95%. Middle East stability matters even more to China than it does to us because China is much more dependent on Middle East oil. We combine our efforts to combat piracy. The greatest threats to our future including our international security future are climate change and environmental degradation. Chinese-American collaboration on that is the world's hope of success.

William Overholt:
The national security benefits of the global development created by Sino-American cooperation are immense. But they're never counted. Again, Chinese leaders are very conscious of common interests and don't seek to destabilize the US, any democracies, the way Russia does.

William Overholt:
So, let me conclude. What are the overarching issues? For America, if we want to live in a peaceful world, we Americans have to accept that we have a peer competitor, something that we once said we would never allow. We can manage that or choose nuclear war. China wants to be number one, but isn't trying to destroy us. We can no longer rule the seas to the beaches of Fujin. We can no longer rule space by ourselves. We can no longer set IT standards or trade investment roles by ourselves.
No strategy will get us to some dominant state. The future is just competition for everyone. That's very difficult for us Americans to accept. But I repeat that whenever we have tried to confine China to a disproportionately small role, we've harmed ourselves and we've enhanced Chinese power. China's challenge is that it has to grow up. If it wants to be a big power, it can't aggrandize the South China Sea as if it were Malaysia or Vietnam. If it's a great power, then it can't exploit its premier century weakness and play the victim. If it has four of the world's ten largest banks, as it does, it can't use infant industry arguments to keep out foreign banks. If it wants Walway to have the opportunity to dominate the whole world's 5G, then it's going to have to let Western companies have comparable opportunities to dominate some things in China.

William Overholt:
In a lot of sense, it can be a dangerous time. China's current administration is not progressing toward adulthood. Although while the United States can co-exist with China, it still has to compete successfully. General Motors can win while Toyota and Tesla also win, but the competition is fierce. In the Cold War, we integrated all the elements of national power. Diplomatic information, military, economic, our war colleges call that dime. Now, we have the world's finest military, but we've allowed all the other instruments to atrophy.

William Overholt:
We have a military budget as large as next state powers. But our military is always exhausted. We don't lose, but we don't win. America can only succeed if we recognize that since World War II, we've been in a new game. It's time to restore a national strategy for the new game.

William Overholt:
Thank you. Hope I have provoked some questions.

Ezra Vogel:
Okay. I think we are very thankful, should be very thankful to Bill for this extraordinarily stimulating talk. The message that we won the war with the Soviet Union, not by military but by economics and that China is now playing the economic game, and we're playing more of the military game is very, very profound. And should have a lot of lessons and implications.

Ezra Vogel:
One of the deep questions I have, is whether the United States would screw up in an era of independent entrepreneurship, now needs more national coordination and control over systems. To control over the wealth. So, you take something like building high-speed rail. China has about 12,000 miles of high-speed rail they put up in the last two or three decades. We have zero.

Ezra Vogel:
If we have private enterprise to protect the property around the railways, we're not going to get those built. We're not going to have the capital to build that and it wouldn't take the priority. As you know, China produces about a million tons of steel a year. We produce about 100,000 tons, about ten times as much. Do we need now, more national control over our economic issues against some of the private wealth in order to play a constructive role both in our own country and be able to play that in the world stage?
Ezra Vogel:
And secondly, what about the rest of the United States? Now, we have so many disaffected people who have not been able, who have a very satisfactory economic or promising life and are alienated from the dominant trends. And how can we combine our efforts to help the economy around the world and work in such a way to resolve those problems? Those aren't exactly easy questions and maybe they're peripheral to what you are doing, but they seem somewhat to me so essential if we try to consider, what do we do to accomplish what you want to accomplish? And I wonder what you would say to those two questions. To start off before we throw it open.

William Overholt:
They are big important questions. They're crucial. When you look at the roles of government versus private sector, there are two extremes. One extreme is the old Soviet Union where they tried to manage and control everything. That's a catastrophe. And the opposite extreme is where you denigrate the role of the government. No planning is acceptable. And we have unfortunately moved toward that extreme.

William Overholt:
Government has some essential functions. One is plan infrastructure. The roads don't build themselves. A Republican president, Abraham Lincoln pushed forward the trans-continental railroad. A republican president, Dwight Eisenhower created the interstate highway system in the face of tremendous opposition from a republican congress that said we shouldn't be doing that stuff.

William Overholt:
A second essential function of government is you have to have a sense of where society is going and plan for that. When we were shifting from an agricultural economy to an industrial economy, we started with about 98% of the people in agriculture. Now, we've got 2%. Well, we built the railroads and the roads, and we created a modern legislation for cities of zoning and regulation on industries. So, as efficiency reduced the number of jobs in agriculture, people had a place to go. Society didn't fragment.

William Overholt:
There were several strains, you know. Read William Jennings Bryan's speech, "We will not be crucified on a cross of gold." But we did it. What's different in the modern era, manufacturing jobs are declining just the way agricultural jobs did. And they're going to vanish almost to the extent that agricultural jobs did. If you look at the curve of manufacturing employment, it's been declining steadily since 1947. The main reason is automation and organization efficiency as was the case in agriculture.

William Overholt:
But today's ideology is, oh, we shouldn't do anything about that. The democrats are dependent on the manufacturing union, so they won't talk about moving people into the services sector where the jobs are and helping people would require giving the government funds and authority, and the republicans won't do that. So, it's much easier to blame China. Globalization is responsible for about one out of every seven job losses. And our politicians of both parties focus on that.

William Overholt:
The third function of government that's essential, we're seeing this week and this month. Government has to prepare for emergencies. The reason we don't have enough ventilators and protective equipment
is that our legislators and our leaders systematically gutted our systems for preparing for these things. So these three functions are absolutely essential.

William Overholt:
That brings me to your second question which is related to the first. The discontents result primarily from two things. One is we’re not taking care of the people whose jobs are being displaced, and the second is we’ve allowed an extraordinary inequality to develop in this country. If you look at the history of other societies, the Chinese dynasties for instance, you start out with a system that tries to give most people a little something, and then it gradually gets all the wealth centralized in a few people, and you have a revolution.

William Overholt:
We are experiencing that same kind of phenomenon. People are so angry. They don't vote based on policies. They vote based on their anger. We have to restore some balance in the functions, the division of labor between government and society. And we have to restore some balance in the distribution of wealth and resources in our society.

Ezra Vogel:
I want to thank you for a really remarkable Broad gauge session, which I think is the perfect start for our Zoom series. And I think it sets the broad framework of looking at all kinds of questions. And I want to also thank Nick Drake and Mark Grady for their technical work in making this go so well. And for Mike Szonyi, Dan Murphy for their support for this program and for all of you who have been very loyal to the Fairbank Center over the years, and we hope will be loyal again to our new series on Zoom. We express our deep appreciation. Stay in good health. And we hope to be in good health and back with you next week.

Ezra Vogel:
Thank you very much.